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ONTARIO'S WOMEN EXECUTIVES SUPPORT PAY EQUITY

In presenting its brief to the panel conducting public hearings on pay equity, the Canadian Association of Women Executives, an organization made up of some 300 business owners, senior executives and managers reaffirmed its long-time commitment to pay equity and the larger issue of employment equity.

CAWE president, Patricia O'Malley, a partner with Thorne Riddell, told the pay equity panel that for the most part the organization agrees in principle with the Ontario government's green paper on the subject.

CAWE also encouraged the government to consider pay equity part of the "grander picture of employment equity" which would be achieved through such additional strategies as affirmative action and educational programs for women.

Recommendations to assist small business

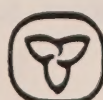
In addition, the organization outlined some methods of implementation which it felt would both facilitate and protect the business community, especially members of the small business sector.

These recommendations included setting a ceiling on the cost of applying a pay equity program which would be no higher than 1% of a company's previous year's total payroll until equity is reached; the establishment of a pay equity bureau within the government which would function in both an advisory and arbitral capacity, and the incorporation of a two year phase-in period to allow employers to both familiarize themselves with new rules and to complete their own internal pay evaluation analysis.

Noted O'Malley, "Employers need time to collect data and analyze. If they don't get it, you'll end up with a system that has no teeth."

Making good business sense:

Throughout its presentation to the panel CAWE underlined its basic premise: namely, pay equity is an issue which makes good business sense. "This lies behind our advocacy of pay equity," says Elizabeth Sass, a member of the CAWE Legislative Committee and president of E.B. Sass and Co. Management Consultants. "We addressed this as managers and presented our information based on what we knew to be true as managers."



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According to Sass, pay equity is an issue whose time has come. "We are in the midst of a major changing point," she says. "Business is moving from a manufacturing to a post-industrial stage and, hence, major economic transformations are occurring." To cope, notes Sass, the most successful businesses are addressing the change by placing a new emphasis on one of their most important resources: people.

"These leading companies recognize that in order to compete successfully on a global scale, they need employees who are creative and committed. To achieve that, they are seeking new ways to optimize this resource."

Thus the emphasis on implementing pay equity programs. "Underutilization of women employees who form a large segment of the workforce is disadvantageous to all," states the CAWE brief. "Employees who are fairly treated by their employers are simply more productive and responsive workers."

If the need for re-evaluation of human resources goes unheeded, the CAWE predicts dire consequences. "It's a new era," says Sass. "And anyone who does not want to change with the times will ultimately face the consequences of being left behind."

JOB EVALUATIONS HIGHLIGHT NEED FOR PAY EQUITY

A job evaluation report from the City of Windsor conducted in March 1985, emphasizes the need for pay equity legislation. The report uncovered some blatant examples of wage inequities.

Basing their job evaluation system on point factors for job knowledge, mental ability, manual skill, human relationships and so on, evaluators came up with examples which included the following:

- 1) A clerk-supervisor in Parks and Recreation received 485 points for his job. He earned \$13.81 an hour. A secretary to the City Clerk received 605 points. She earned \$12.21. In other words, — she had a total of 120 points more than he did, but she took home \$1.60 an hour less.
- 2) A female data analyst received 460 points in the system. She earned \$10.84 an hour. A senior timekeeper received 450 points under the same system, and earned \$13.46 an hour — for ten points less, he was paid \$2.62 more every hour.

These are just a few of the case studies presented to the Public Consultation Panel on Pay Equity travelling throughout the province. The Panel will provide a summary report to the Premier of the views expressed by labour, business, women's groups and the general public with respect to the various methods of implementing pay equity legislation in the province.

RECOMMENDATIONS FROM BUSINESS

While some business groups appearing before the Public Consultation Panel on Pay Equity have opposed the implementation of pay equity in Ontario, they have however offered the following suggestions to minimize any adverse impact:

- o The Sudbury and District Chamber of Commerce - supports employment equity.
- o The Ontario Mining Association - recommends the legislation of a complaint-based system as part of the responsibility of the Employment Standards Branch with proper specialists and an arbitration type mechanism to deal with complaints

that don't get resolved through the investigation and services of this Branch.

- o The Canadian Organization of Small Business - supports the creation of a small business advisory service to assist small employers in reviewing their own employment policies.
- o The Metropolitan Board of Trade - states that workers covered by collective bargaining should be exempted from equal pay legislation.
- o The Canadian Federation of Independent Businesses - maintains that companies employing fewer than 100 workers should be exempted from pay equity legislation.
- o The Canadian Manufacturers' Association - believes employers should be given a four year phase-in period before complaints from workers are allowed to permit companies to make necessary adjustments.

THE CITY OF TORONTO BACKS PAY EQUITY

A staunch supporter of the issue of pay equity, Toronto Mayor Art Eggleton recently informed the members of the pay equity panel that "wage parity is an essential principle in the achievement of employment equity."

It is just this principle which the City of Toronto addressed and acted upon in 1973 when it established the Mayor's Task Force on the Status of Women.

Wage gaps dropped to 6.3%

Initially discerning a 21.5% wage gap between men and women among the city's approximately 6,000 employees, the municipality has, through the es-

tablishment of a wage evaluation system and a pay equity program, effectively reduced that disparity to 6.3%.

The city had brought about its existing pay equity program through a three step plan.

City chooses own job evaluation system

Firstly, in conjunction with the Task Force the City's employee association and representatives of the two locals of the Canadian Union of Public Employees, an outside consulting team developed a three-tiered evaluation system which covered the city's clerical, manual and professional workers respectively. Each position covered by 2,000 job classifications was evaluated, according to skill, effort, responsibility and working conditions, a task taking a total of nine man hours per category. Says Alison Anderson, manager of the Job Evaluation department, "We did not adopt a universal system. Instead, we opted for three separate categories and weighted the most important factors in each group accordingly. For instance, gardeners were given more point allowance for working conditions than secretaries."

The program itself was then phased-in over a three year period beginning in 1976. Lastly, once the installation took place, a review of all the evaluated jobs was conducted to determine if any changes of duties and therefore ratings should occur.

Pay Equity Program — "well worth it"

Overall, the City of Toronto's pay equity program, according to Art Stevenson, executive director of the management services department at City Hall, cost \$500,000 in one-time initial start-up expenses. In addition, the cost to the City for actual implementation was \$1 million per year or 1% of payroll for each of the three years. Stevenson

further estimated that the cost today lies at less than one-tenth of 1% of the pre-pay equity program payroll. "Our first impression was that it was costing a fair bit", noted Mayor Eggleton, "but I think as we've come through the process I think...it is well worth it."

City establishes contract compliance

As well, the City is committed to expanding its concern with pay equity to encompass the private sector. In 1983, it established a Task Force on Contract Compliance to ensure that companies providing goods or services to the City were also providing fair and equitable wages to female employees. By 1987, any businesses dealing with the municipality will have to provide data on the salaries paid to their workforces.

PAY EQUITY OPPONENTS PROMOTE MYTHS - MINISTER

Opponents of pay equity are promoting "myths and misconceptions" said Ian Scott, Minister Responsible for Women's Issues. Speaking at a recent Canadian Club meeting, the Minister requested an end to the excessive rhetoric noting "many of the objections against giving women the same pay for doing the same work are again being used to fight the Government's equal pay for work of equal value proposal. That legislation (in 1951) was preceded by the same kind of debate we are hearing today. The scheme was unworkable, too expensive, an interference with market forces, the long arm of government reaching into private business and so on", said the Minister.

"It is important to remember" said Scott, "that the government will not impose a single directive on every employer in the province requiring that pay equity be implemented all at once. We have said

all along that pay equity must be implemented in a fiscally responsible manner and in such a way that we do not lose our competitive edge."

PAY EQUITY WORKS WELL IN AUSTRALIA

Contrary to statements by some groups opposed to pay equity, the legislation in effect in the private sector in Australia since the early seventies has not resulted in increased unemployment for women. In fact, unemployment trends for Australian women over the past 15 years have been similar to trends in other Western industrialized nations.

Moreover pay equity is considered to work well for all concerned, according to the following recent Toronto Globe and Mail article by Linda McQuaig:

"While the business community in Ontario mounts a fierce campaign against the provincial government's plan to introduce pay equity in the private sector, employers halfway around the world who have experience with such a system, think it is not such a bad idea.

Alan Grinsell, manager of industrial relations for the Employers Federation in Sydney, said the Australian federation supports pay equity, which has been in effect in the private and public sectors since 1975.

"It has worked well," Mr. Grinsell said from Sydney. "Obviously there was some cost involved. But the cost needed to be incurred. There was no basis for the discrimination."

Mr. Grinsell's organization represents 2,700 employers.

Under Australia's pay equity laws, employers are obliged to pay women the same as men when they are doing work considered to be of equal value.

Australia is perhaps the only jurisdiction in the world where pay equity has been introduced on a broad scale in the private sector and it has had a major impact in closing the wage gap between men and women.

In the few North American jurisdictions where pay equity legislation has been tried, it has been almost entirely restricted to the public sector.

In Europe, where most countries have legislation covering the private sector, the laws have lacked teeth and been largely unenforced, according to Gerald Starr, a spokesman for the International Labour Organization in Geneva.

Ontario introduced pay equity legislation for the public sector....but has not set a date to follow through with its promise of imposing it on the private sector, which is strongly opposed.

Jenny Acton, industrial relations officer for the Australian Council of Trade Unions, recalls strong business resistance before the Government's introduction of a phase-in period in 1972.

"We had big fights in the late sixties and early seventies," she said from Melbourne.

Gap in wages has narrowed significantly

But both business and labour spokesmen in Australia agree the legislation has been effective in reducing the wage gap between men and women.

Figures from the Australian Bureau of Statistics indicate that while women's pay on average amounted to 66 per cent of men's in 1969, it is now about 85 per cent.

The remaining gap reflects factors such as different education and experience levels among men and women, as well as the fact that women receive fewer promotions, according to Ms Acton.

In Ontario, however, the wage gap remains at about 38 per cent — close to the pre-1969 Australian levels.

The sharp decrease in the wage gap is a startling reversal for Australia, which as recently as the late sixties saw deliberate discrimination against women.

This was carried out by government-run wage tribunals that set pay rates for different jobs in both the private and public sectors on the basis of assessing the relative value of the job.

Under the old system, the tribunals came up with a wage rate for a job and, if it was a traditionally female job, automatically adjusted the rate downward to about 75% of the amount.

Mr. Grinsell, of the Australian employers' federation, said that was done because the prevailing attitude was that men were the breadwinners and needed more money.

But it was the system of determining wages on the basis of the value of the job that made it relatively easy for Australia to make the leap towards pay equity.

And the system of setting minimum wage rates for most occupations through government-run tribunals made it easier to impose pay adjustments across the board.

In Ontario, where wages are usually set by individual employers and most workers are not represented by a union, it will be more difficult to come up with a system as easy to apply.

Little effect on the economy

What remains striking about the Australian system is how much the wage gap has narrowed and how little damage it has apparently done to the economy.

"Most people would say that it hasn't sent the (Australian) economy for a

loop," says Morley Gunderson, an economist at the University of Toronto's Centre for Industrial Relations.

Mr. Grinsell, from the employers' federation, compares the resistance to equal pay to the resistance on the part of other labour laws at earlier stages.

"When the work week was reduced from 48 hours to 40 (in the 1930s), some predicted dire doom," he said. "You manage to survive. Somehow you do cope."

...Globe and Mail

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